

1 AN ACT in relation to taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Use Tax Act is amended by changing
5 Section 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or
8 likely multistate taxation, the tax imposed by this Act does
9 not apply to the use of tangible personal property in this
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal
12 property acquired outside this State by a nonresident
13 individual and brought into this State by the individual for
14 his or her own use while temporarily within this State or
15 while passing through this State.

16 (b) The use, in this State, of tangible personal
17 property by an interstate carrier for hire as rolling stock
18 moving in interstate commerce or by lessors under a lease of
19 one year or longer executed or in effect at the time of
20 purchase of tangible personal property by interstate carriers
21 for-hire for use as rolling stock moving in interstate
22 commerce as long as so used by the interstate carriers
23 for-hire, and equipment operated by a telecommunications
24 provider, licensed as a common carrier by the Federal
25 Communications Commission, which is permanently installed in
26 or affixed to aircraft moving in interstate commerce.

27 (c) The use, in this State, by owners, lessors, or
28 shippers of tangible personal property that is utilized by
29 interstate carriers for hire for use as rolling stock moving
30 in interstate commerce as long as so used by the interstate
31 carriers for hire, and equipment operated by a

1 telecommunications provider, licensed as a common carrier by
2 the Federal Communications Commission, which is permanently
3 installed in or affixed to aircraft moving in interstate
4 commerce.

5 (d) The use, in this State, of tangible personal
6 property that is acquired outside this State and caused to be
7 brought into this State by a person who has already paid a
8 tax in another State in respect to the sale, purchase, or use
9 of that property, to the extent of the amount of the tax
10 properly due and paid in the other State.

11 (e) The temporary storage, in this State, of tangible
12 personal property that is acquired outside this State and
13 that, after being brought into this State and stored here
14 temporarily, is used solely outside this State or is
15 physically attached to or incorporated into other tangible
16 personal property that is used solely outside this State, or
17 is altered by converting, fabricating, manufacturing,
18 printing, processing, or shaping, and, as altered, is used
19 solely outside this State.

20 (f) The temporary storage in this State of building
21 materials and fixtures that are acquired either in this State
22 or outside this State by an Illinois registered combination
23 retailer and construction contractor, and that the purchaser
24 thereafter uses outside this State by incorporating that
25 property into real estate located outside this State.

26 (g) The use or purchase of tangible personal property by
27 a common carrier by rail or motor that receives the physical
28 possession of the property in Illinois, and that transports
29 the property, or shares with another common carrier in the
30 transportation of the property, out of Illinois on a standard
31 uniform bill of lading showing the seller of the property as
32 the shipper or consignor of the property to a destination
33 outside Illinois, for use outside Illinois.

34 (h) The use, in this State, of a motor vehicle that was

1 sold in this State to a nonresident, even though the motor
2 vehicle is delivered to the nonresident in this State, if the
3 motor vehicle is not to be titled in this State, and if a
4 driveaway decal permit is issued to the motor vehicle as
5 provided in Section 3-603 of the Illinois Vehicle Code or if
6 the nonresident purchaser has vehicle registration plates to
7 transfer to the motor vehicle upon returning to his or her
8 home state. The issuance of the driveaway decal permit or
9 having the out-of-state registration plates to be transferred
10 shall be prima facie evidence that the motor vehicle will not
11 be titled in this State.

12 (i) Beginning July 1, 1999, the use, in this State, of
13 fuel acquired outside this State and brought into this State
14 in the fuel supply tanks of locomotives engaged in freight
15 hauling and passenger service for interstate commerce. This
16 subsection is exempt from the provisions of Section 3-90.

17 (j) Beginning on January 1, 2002, the use of tangible
18 personal property purchased from an Illinois retailer by a
19 taxpayer engaged in centralized purchasing activities in
20 Illinois who will, upon receipt of the property in Illinois,
21 temporarily store the property in Illinois (i) for the
22 purpose of subsequently transporting it outside this State
23 for use or consumption thereafter solely outside this State
24 or (ii) for the purpose of being processed, fabricated, or
25 manufactured into, attached to, or incorporated into other
26 tangible personal property to be transported outside this
27 State and thereafter used or consumed solely outside this
28 State. The Director of Revenue shall, pursuant to rules
29 adopted in accordance with the Illinois Administrative
30 Procedure Act, issue a permit to any taxpayer in good
31 standing with the Department who is eligible for the
32 exemption under this subsection (j). The permit issued under
33 this subsection (j) shall authorize the holder, to the extent
34 and in the manner specified in the rules adopted under this

1 Act, to purchase tangible personal property from a retailer
2 exempt from the taxes imposed by this Act. Taxpayers shall
3 maintain all necessary books and records to substantiate the
4 use and consumption of all such tangible personal property
5 outside of the State of Illinois.

6 (Source: P.A. 91-51, eff. 6-30-99; 91-313, eff. 7-29-99;
7 91-587, eff. 8-14-99; 92-16, eff. 6-28-01; 92-488, eff.
8 8-23-01.)

9 (35 ILCS 105/3-61 rep.)

10 Section 10. The Use Tax Act is amended by repealing
11 Section 3-61.

12 Section 15. The Service Use Tax Act is amended by
13 changing Section 3-45 as follows:

14 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

15 Sec. 3-45. Multistate exemption. To prevent actual or
16 likely multistate taxation, the tax imposed by this Act does
17 not apply to the use of tangible personal property in this
18 State under the following circumstances:

19 (a) The use, in this State, of property acquired outside
20 this State by a nonresident individual and brought into this
21 State by the individual for his or her own use while
22 temporarily within this State or while passing through this
23 State.

24 (b) The use, in this State, of property that is acquired
25 outside this State and that is moved into this State for use
26 as rolling stock moving in interstate commerce.

27 (c) The use, in this State, of property that is acquired
28 outside this State and caused to be brought into this State
29 by a person who has already paid a tax in another state in
30 respect to the sale, purchase, or use of that property, to
31 the extent of the amount of the tax properly due and paid in

1 the other state.

2 (d) The temporary storage, in this State, of property
3 that is acquired outside this State and that after being
4 brought into this State and stored here temporarily, is used
5 solely outside this State or is physically attached to or
6 incorporated into other property that is used solely outside
7 this State, or is altered by converting, fabricating,
8 manufacturing, printing, processing, or shaping, and, as
9 altered, is used solely outside this State.

10 (e) Beginning July 1, 1999, the use, in this State, of
11 fuel acquired outside this State and brought into this State
12 in the fuel supply tanks of locomotives engaged in freight
13 hauling and passenger service for interstate commerce. This
14 subsection is exempt from the provisions of Section 3-75.

15 (f) Beginning on January 1, 2002, the use of tangible
16 personal property purchased from an Illinois retailer by a
17 taxpayer engaged in centralized purchasing activities in
18 Illinois who will, upon receipt of the property in Illinois,
19 temporarily store the property in Illinois (i) for the
20 purpose of subsequently transporting it outside this State
21 for use or consumption thereafter solely outside this State
22 or (ii) for the purpose of being processed, fabricated, or
23 manufactured into, attached to, or incorporated into other
24 tangible personal property to be transported outside this
25 State and thereafter used or consumed solely outside this
26 State. The Director of Revenue shall, pursuant to rules
27 adopted in accordance with the Illinois Administrative
28 Procedure Act, issue a permit to any taxpayer in good
29 standing with the Department who is eligible for the
30 exemption under this subsection (f). The permit issued under
31 this subsection (f) shall authorize the holder, to the extent
32 and in the manner specified in the rules adopted under this
33 Act, to purchase tangible personal property from a retailer
34 exempt from the taxes imposed by this Act. Taxpayers shall

1 maintain all necessary books and records to substantiate the
2 use and consumption of all such tangible personal property
3 outside of the State of Illinois.

4 (Source: P.A. 91-51, eff. 6-30-99; 91-313, eff. 7-29-99;
5 91-587, eff. 8-14-99; 92-16, eff. 6-28-01; 92-488, eff.
6 8-23-01.)

7 (35 ILCS 110/3-51 rep.)

8 Section 20. The Service Use Tax Act is amended by
9 repealing Section 3-51.

10 (35 ILCS 115/2d rep.)

11 Section 25. The Service Occupation Tax Act is amended by
12 repealing Section 2d.

13 (35 ILCS 120/2-51 rep.)

14 Section 30. The Retailers' Occupation Tax Act is amended
15 by repealing Section 2-51.

16 Section 99. Effective date. This Act takes effect on
17 January 1, 2003.